

**2012-2014
AIRPORT CONCESSION
DISADVANTAGED BUSINESS ENTERPRISE
(ACDBE) PROGRAM GOALS UPDATE
FOR
MILWAUKEE COUNTY
DECEMBER 17, 2012**



**SUBMITTED TO:
U.S. DEPARTMENT OF TRANSPORTATION
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INTRODUCTION

In accordance with 49 CFR Part 23, Milwaukee County is submitting the FFY 2012-2014 Airport Concession Disadvantaged Business Enterprise (ACDBE) Goals update for General Mitchell International Airport (GMIA). The ACDBE Goals have been disaggregated into two separate goals as provided by § 23.41. The first goal is for non-car rental concessions and the second goal is for car rental concessions. As required by §23.41(c), the goals are for a 3-year period.

For the first year of the 3-year Federal Fiscal Period, there are no new car rental concessions as the current concession term will expire December 31, 2012. Therefore, the existing contractual goal of 4% will be enforced. In early 2012, GMIA Management will determine the scope and number of spaces available for lease in order to solicit new proposals for car rental concessions. For now, the Milwaukee County Office of Community Development Partners (CBDP) anticipates using the same goal for the remaining two years of the FFY 2012-2014. Once the scope of the concessions is finalized, CBDP will revisit the goal for car rental concessions and may submit revised goals based upon new data. Therefore, for this submission, CBDP has used the 4% figure to show anticipated ACDBE participation in car rental concessions.

For non-car rental concessions, new opportunities will arise only for specialty retail concessions. However, at this point in time, GMIA Management is considering various options for the type of specialty concessions to be solicited. Therefore, details of the concession opportunities are unavailable for goal setting purposes. CBDP will submit revised goals to show the concession goals for this new concession opportunity once the options are selected. The overall ACDBE goals of 20.41% have been determined based upon the assigned contract goals for each of the current existing concessions.

CALCULATION OF ACDBE GOALS FOR NON-CAR RENTAL CONCESSIONS

As mentioned in the Introduction, Milwaukee County anticipates no non-car rental concession opportunities for FFY 2012-2014 outside of an as yet determined specialty retail concession. As ACDBE Goals set on the then existing concession opportunities in FFY 2004 and FFY 2008 covered those years as well as FFY 2009-2011, and as those same leases cover this reporting period; CBDP will continue to keep these goals in force during FFY 2012-2014.

ACDBE Goals for the existing food and beverage concessions were set in 2008 when Milwaukee County entered into new contracts with the Master Concessionaires. The contract is scheduled to expire on October 31, 2019. Therefore no new goals will be set for these concessions in the FFY 2012-2014, and the goal established in 2008 will be used throughout this concession period.



Goals for the existing retail, news and gift concessions were set in 2004 and will continue unchanged throughout this concession period. CBDP used the two-step goal setting methodology mandated by 49 CFR Part 26, which is now required by 49 CFR part 23 in setting these goals.

As indicated above, the present goals on all concessions were set in, either, 2004, or 2008, and will remain in force through FFY 2014.

Table 1 below shows current concession opportunities along with the date the lease begins and expires for each of these concessions.

**TABLE 1
NON-CAR RENTAL CONCESSIONS**

Concessionaire	Type	Date Lease Begins	Date Lease Ends
HMS Host*	Food/Beverage	11.01.2008	10.31.2019
SSP American*	Food/Beverage	11.01.2008	10.31.2019
Paradies-Mark II*	News/Gift	03.01.2004	02.28.2015
Clear Channel*	Advertising	04.30.2009	04.30.2014
Renaissance Books*	Book Store	06.1.2004	Month to month
Royal Shine *	Shoe Shine	02.1.2004	Month to month
M&I Bank**	ATM	10.1.2003	09.30.2014
Flight Services & Systems**	Luggage Carts	12.1.2006	11.30.2016
Smart Carte Massage Chairs**	Massage Chairs	12.1.2008	11.30.2013
Travelex Currency *	Phone Cards	05.1.2005	05.31.2013
Concourse Communications**	Wi-Fi	12.16.2004	02.28.2016
Pacific Telemanagement*	Pay Phones	06.01.2010	05.31.2015
Countywide Shuttle Service*	Airport Shuttle	10.1.2008	10.31.2016
CPS Parking*	Parking Mgmt	10.1.2008	08.31.2016

***Concession Opportunities where ACDBE participation is possible**

****Concession Opportunities where no ACDBE participation is possible**

Calculation of Baseline ACDBE Goal for Concession Opportunities in 2004 and 2008

In accordance with 49 CFR Part 26 requirements, ACDBE Contract Goals in 2004 and 2008 were set on each concession opportunity where ready, willing and able ACDBE firms were certified in the Wisconsin Unified Certification Program database to perform the services required of the contract.

Two Step Goal Setting Methodology

Step 1 focused on determining the number of ready, willing and able ACDBE firms available for each concession opportunity as a percentage of all ready, willing and able firms in the marketplace. Using this availability percentage for each concession opportunity, the percentage of anticipated ACDBE gross receipts was calculated as a percentage of all gross receipts. This can be translated into the following formula:



$$\frac{\text{\# of ACDBE firms available in each concession opportunity}}{\text{\# non-ACDBE firms} + \text{ACDBE firms available in each concession}} = \% \text{ availability of ACDBE firms}$$

$$\% \text{ ACDBE availability by area X anticipated gross receipts} = \text{anticipated ACDBE gross receipts}$$

Step 2 focused on making adjustments to the Step 1 anticipated ACDBE gross receipts. An adjustment factor commonly used is the capacity of ACDBE firms as indicated by past achievement on ACDBE participation. The anticipated gross receipts for each concession area were then adjusted upward, or downward, using this data on past achievement.

The overall goal was then determined by using the following formula:

$$\frac{\text{Anticipated ACDBE gross receipts from ea. concession opportunity}}{\text{Anticipated gross receipts from all concessionaires}} = \text{Overall ACDBE Goal}$$

As mentioned above, in setting the goals for the retail, news and gift concessions for FFY 2004, and in 2008 for the FFY 2009-2011 goals for the Food and Beverage Concessions for the new opportunities, CBDP used the two-step goal setting methodology described above.

Race-Conscious and Race-Neutral Split

CBDP used past achievement data to determine the race-conscious and race-neutral split. Analyzing past achievement data, CBDP determined that, save for 2006, it did not achieve its overall goals. Therefore, it was decided that race-conscious means would be solely used to achieve the entire goal.

Overall Goal

Applying the above formula for goal setting we get an overall goal of 20.41% for non-car rental concessions. Table 2 below displays the concessions opportunities for each concession along with the anticipated ACDBE and anticipated gross receipts.



TABLE 2

**NON CAR RENTAL CONCESSIONS
ACDBE GOALS FFY 2012-2014**

			10/1/11-9/30/12		10/1/12-9/30/13		10/1/13-9/30/14	
			Anticipated	Anticipated	Anticipated	Anticipated	Anticipated	Anticipated
<u>Concessionaire</u>	<u>Type</u>	<u>DBE</u>	<u>Gross</u>	<u>DBE</u>	<u>Gross</u>	<u>DBE</u>	<u>Gross</u>	<u>DBE</u>
		<u>Goal</u>	<u>Receipts</u>	<u>Receipts</u>	<u>Receipts</u>	<u>Receipts</u>	<u>Receipts</u>	<u>Receipts</u>
HMS Host	Food/Beverage	25%	\$8,242,760	\$2,060,690	\$9,067,036	\$ 2,266,759	\$9,973,740	\$2,493,436
SSP America	Food/Beverage	25%	\$15,582,538	\$3,895,635	\$17,140,792	\$ 4,285,198	\$18,854,871	\$4,713,718
Paradies-Mark II	News / gifts	30%	\$11,572,773	\$3,471,832	\$12,730,050	\$ 3,819,115	\$14,003,055	\$4,200,917
Clear Channel	Advertising	3%	\$768,702	\$23,061	\$845,573	\$25,367	\$930,130	\$27,903
Renaissance Book Shop	Books	11%	\$570,373	\$62,741	\$587,484	\$64,623	\$605,109	\$66,561
Royal Shine II (ACDBE)	Shoe Shine	100%	\$51,378	\$51,378	\$52,900	\$52,900	\$54,507	\$54,507
M & I Bank	ATM Fees	0	\$101,316	0	\$104,355	0	\$107,486	0
Flight Services & Systems	Luggage Carts	0	\$71,012	0	\$73,143	0	\$75,337	0
Smarte Carte Massage		0	\$26,818	0	\$27,623	0	\$28,451	0
Traveler Currency Svcs	Phone cards	0	\$8,335	\$8,335	\$8,585	\$ 8,585	\$8,842	\$ 8,842
Concourse Communications	WI-FI	0	\$153,627	0	\$158,235	0	\$162,982	0
Pacific Telemanagement	Pay phones	17%	\$8,105	\$1,378	\$8,348	\$1,419	\$8,599	\$1,462
Total Non Car Rental Concessions			\$37,157,737	\$ 9,575,050	\$40,804,124	\$10,523,966	\$44,813,109	\$11,567,346
Management Contracts								
Countywide Shuttle	Shuttle Services	15%	\$55,310	\$8,296	\$55,865	\$8,379	\$56,420	\$8,463
CPS Parking	Parking Mgmt	15%	\$6,106,309	\$ 915,946	\$6,258,967	\$938,845	\$6,415,416	\$962,316
Total Management Contracts			\$6,161,619	\$924,242	\$6,314,832	\$947,224	\$6,471,836	\$970,779
Overall DBE Goal = 20.41% Race Neutral DBE Receipts $\frac{\$ 158,785}{\$ 122,800,108} = 0.13\%$ Race Conscious DBE Receipts $\frac{\$ 24,900,452}{\$ 122,800,108} = 20.28\%$ Gross Receipts*								
* The base for calculating the overall goal includes the gross receipts for all non car rental concessions and only the ACDBE receipts for the management contracts in accordance with 49 CFR Part 23 § 23.47								



CALCULATION OF ACDBE GOALS FOR CAR RENTAL CONCESSIONS

Milwaukee County will structure the ACDBE car rental goal entirely in terms of purchases of good and services, a permissible alternative in accordance with 49 CFR Part 23 §23.51(c)(5)(ii). Table 3, on page 6, shows the estimated ACDBE annual revenues for FFY 2012-2014 by the existing and potential car rental agencies operating at GMIA. The car rental goals under the previous three FFY reporting periods were set at 4% on purchases of services and goods by rental car agencies. These goals will remain in force until GMIA Management finalizes its solicitations for non-car rental concessions, and CBDP re-evaluates the effects of such.

The current car rental concession contracts expire December 31, 2012. In early 2012 GMIA Management will determine the scope and number of spaces available for lease in order to solicit new proposals for car rental concessions, and the goals for car rental concessions will be revisited at that time.



TABLE 3

PROJECTED GROSS RECEIPTS FOR CAR RENTAL CONCESSIONS 2012-2014								
			10/01/11-9/30/12		10/01/12-9/30/13		10/01/13-9/30/14	
Rental Car Companies		DBE Goal	Anticipated Gross Receipts	Anticipated DBE Gross Receipts	Anticipated Gross Receipts	Anticipated DBE Gross Receipts	Anticipated Gross Receipts	Anticipated DBE Gross Receipts
Avis	Car rental	4%	\$14,027,098	\$561,083	\$14,447,911	\$577,916	\$14,881,349	\$463,006
Budget	Car rental	4%	\$9,306,162	\$372,246	\$9,585,347	\$383,413	\$9,872,908	\$305,503
Dollar	Car rental	4%	\$4,221,510	\$168,860	\$4,348,155	\$173,926	\$4,478,600	\$179,144
Enterprise	Car rental	4%	\$11,742,235	\$456,009	\$11,742,235	\$469,689	\$12,094,502	\$133,039
Hertz	Car rental	4%	\$16,327,148	\$653,085	\$16,816,962	\$672,678	\$17,321,471	\$1,905,361
Midwest	Car rental	4%	\$10,652,370	\$425,094	\$10,971,941	\$438,877	\$11,301,100	\$1,243,121
Thrifty	Car rental	4%	\$3,263,951	\$130,558	\$3,361,869	\$134,474	\$3,462,725	\$380,899
Total Car Rentals			\$69,198,467	\$2,767,939	\$71,274,421	\$2,850,420	\$73,412,654	\$2,936,506
<p style="text-align: center;">Overall DBE Goals $\frac{\\$8,555,422}{\\$213,885,542} = 4\%$</p>								



PUBLIC CONSULTATION

In accordance with 49 CFR Part 23 requirements, CBDP public input on the ACDBE Program goals. The ACDBE Goals were available for public viewing on CBDP's page of the Milwaukee County's website. In addition, the goal report was sent electronically to various Stakeholder Groups¹ and the DBE community.

¹ Please refer to Appendix A



APPENDIX: A

ACDBE Stakeholder Directory



- Member **American Indian Chamber of Commerce-WI**
Mr. Jeff Bowman, President
10809 W. Lincoln Ave.
West Allis, WI 53227
Phone: (414) 604-2044
Email: aiccw@execpc.com
- Member **Milwaukee Building and Construction Trade Council**
Mr. Lyle Balistreri, President
5941 W. Blue Mound Rd.
Milwaukee, WI 53213
Phone: (414) 475-5580
Fax: (414) 475-5590
Email: bldgtrds@execpc.com
- Member **NAACP-Milwaukee Branch**
Atty. James Hall, President
1915 N. Martin Luther King Dr.
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Phone: (414) 562-1000
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Email: naacpmilwaukee.org@gmail.com
- Member **Milwaukee Urban League**
Mr. Ralph Hollmon, President
435 W. North Ave.
Milwaukee, WI 53212
Phone: (414) 374-5850
Fax: (414) 562-8620
Email: rhollmon@tmul.org
- Member **US-Bank, Inc.**
Mr. Ken Pinckney, Commercial Banking, Vice President
201 W. Wisconsin Ave.
Milwaukee, WI 53203
Phone: (414) 227-6018
Fax: (414) 227-5416
Email: kenneth.pinckney@usbank.com



- Member **Wisconsin Women's Business Initiative Corporation (WWBIC)**
Ms. Wendy Baumann, President
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Fax: (414) 347-1347
Email: rmorgan@emcsinc.com
- Member **American Asian Community**
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Email: kfoey@wi.tna-inc.com
- Member **Southeast Chapter of WSA**
Mr. Mark Rapant, President
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125 S. 84th St. Ste. 401
Milwaukee, WI 53214
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- Member **National Association of Minority Contractors - WI Chapter**
Mr. Brian Mitchell, President
200 N. Jefferson St., Ste 201
Milwaukee, WI 53202
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- Member **Associated General Contractors of Greater Milwaukee**
Mr. Bob Stelter, President
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- Member **Hispanic Chamber of Commerce**
Ms. Maria Monreal-Cameron, President
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- Member **Metropolitan Milwaukee Association of Commerce**
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- Member **WI Transportation Builders Association**
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